

tained in an editorial published by the *North-China Daily News* on April 19. Wrote the paper: "The war aims of the Allies have been quite plainly stated. They include such action as shall for all time prevent the Reich from becoming the menace to Europe (read British and French Empires) which it is at present, and to protect the smaller nations from the aggression of which the Germans have been so manifestly guilty. If that eventuality entails the subdivision of Germany into its component states and the maintenance of an unceasing vigilance over their domestic affairs, who for one moment will blame the Allies? ... it would be foolish to follow the processes adopted at the conclusion of the last war. The Allies then failed to learn their

lessons and are being obliged to relearn them after all these years. To make the same mistakes as those which were made twenty-two years ago would be the height of foolishness and it is to be hoped that when peace comes to be negotiated the realistic outlook of the French will hold the day against that sickly sentiment which seeks to moderate the blow of defeat to a fallen enemy."

Thus the world is presented with the alternatives of the Balkanization of Europe if the Allies win, or the Hitlerization of Europe if Germany's arms should prevail. Neither offers prospects of real peace and economic well-being, as anyone can see who gives the matter a little thought. But perhaps, as the war proceeds, a more attractive alternative will begin to emerge.

Keep the Dime-Eating Tigers Out of the Foreign Settlement!

A MERICANS call them "One-arm Bandits." The Chinese have a more picturesque name—"Dime-eating Tigers." We are referring to slot-machines, a 50-year-old gambling device which has become as familiar in Shanghai as it is in certain parts of the United States, where it stands for a \$50,000,000 industry. However, it is rapidly being outlawed in most states of the U.S.A.

When ratepayers of the International Settlement gathered at the Race Course last week for their annual meeting, a Russian lawyer, N. M. Shoolingin, brought forward a proposal that the Shanghai Municipal Council consider the licensing of slot-machines. One thousand machines, licensed at a fee of \$100 each per month, would yield the Council a revenue of \$1,200,000 annually and help to balance the budget, he pointed out.

Slot machines are prohibited in the International Settlement and in places where they have appeared they have been seized by the police. The authorities of the neighboring French Concession enforce no such taboo and derive a handsome revenue from licensing the dime-eating tigers. No one has been able to compute the amount which goes into these machines each month and each year, but it must be enormous. The dime-eaters are to be found in bars and cabarets all over the Concession. Hundreds, if not several thousands, are in operation, and the "take" depends upon the location. In well-patronized bars, cabarets and clubs they represent an enormous business. In one cabaret in Frenchtown, five slot machines pay the entire rent of the establishment, and the "suckers" in this case are mostly taxi-dancers and their patrons.

There are several places in the International Settlement where slot-machines are operated—many of them without a formal violation of the S. M. C. edict against gambling devices. One place is a popular club operated by one of the foreign defense forces, but in this case the men made such a good deal with "Jackpot" Riley, owner and operator of most of the machines in Frenchtown, that most of the profits go toward the upkeep of the club instead of Riley. Riley is an unrecognized American* who came to the Far East with one of the U.S. Services and remained here following the expiration of his term of enlistment. With profits he has amassed as an operator of the slot-machine racket, he has invested in other lines of business, chiefly the restaurant and cabaret world. Among his enterprises is a Russian restaurant, known as "D.D.s" on Avenue Joffre, for which he is said to have paid U.S.\$10,000. Needless to say, D.D.'s is well stocked with slot-machines, the clatter of which is far from conducive to a restful atmosphere for diners.

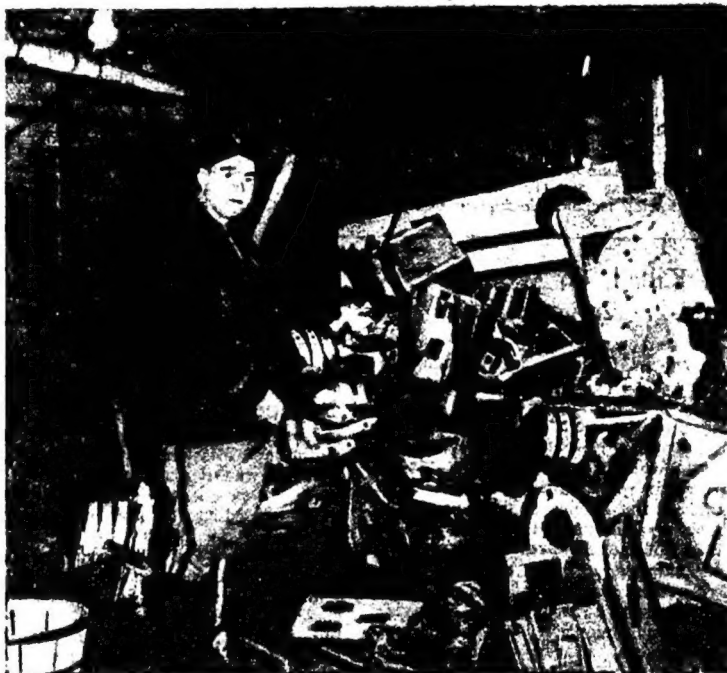
Another Riley enterprise, a recent acquisition, is Farren's, a night club, restaurant and gambling resort, located in Ta-tao and Japanese-controlled territory, off Great Western Road, in the vicinity of the Columbia Country Club. An article in the *Shanghai Evening Post* on Monday, April 22, alleged that Carlos Garcia, well-

known operator of gambling houses in western U. S. A. had sent an agent here to purchase the Farren institution, but that Jack Riley forestalled him by making the purchase a few days prior to the arrival of Garcia's agent.

Aside from the servicemen's club numerous other clubs and so-called "clubs" and bars in the International Settlement operate Riley's slot-machines on a commission basis.

Riley, in the past few years, has accumulated a large fortune from his slot-machine business. A close acquaintance of his recently estimated his monthly net income from the dime-eating tigers at something like \$12,000, or \$150,000 a year. In fact Riley, thanks to exceptional circumstances, was able to almost "corner" the local slot-machine market and set up a virtual monopoly. The Chinese Government, some years ago, prohibited the importation of gambling equipment of all kinds. Riley had already imported a number of

Slot-Machine Graveyard



Saturday Evening Post, U.S.A.

This picture indicates the culmination of a campaign in the state of Indiana, U. S. A. for the elimination of the slot-machine racket. It shows a state trooper in the act of smashing up several thousands of dollars worth of "one-arm bandits," or, as the Chinese call them, "dime-eating tigers."

machines and bought up a number already here—including some which he purchased from the Frenchtown police who had seized them from bars and cafes which had been operating them without a license. He placed these machines in cafes and bars all over the Concession, giving the owners of these establishments a rate-off for the privilege. He of course gets the full "take" of machines placed in his own premises.

Chinese authority was expelled from this area after the Japanese invasion of 1937. Now it is reported that slot-machines are again being imported here, in defiance of Customs regulations which

*In some quarters Riley is said to be a Canadian, but opinion among his friends is that he is (or was) an American citizen.

2708
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Scotch Pianos: A Pertinent Question

To the Editor of the

"NORTH-CHINA DAILY NEWS"

Sir.—Mr. Warner's letter of today appears to add weight to my original contention, viz., that it seems a pity that money should be forced out of the Government and that the S.M.C. are not astute enough to realize this and remedy matters.

According to this letter the Council run a club, subsidize it, ban Scotch Pianos and the place goes broke. They give the place away to members who, released from ridiculous restrictions and with an eye on the main chance, appropriate two or three of these contrivances and, heigh presto, the club minus subsidy carries on!

Another point which might be tackled at this juncture in reference to bars which are striving to keep going in spite of heavy license fees: "What is a Club but a Bar, or is it?"

JACK FOX.

Shanghai, Mar. 14.

FILE

CHINA DAILY NEWS.

MAR 14 1937

"Scotch Planes":
Club's Business
To the Editor of the
"North-China Daily News"
 Sir—With reference to letter signed
 Arthur Watson, which appeared in
 your edition dated March 11, I would
 appear that this letter was written
 by some disgruntled or late member
 of the Club.
 Should this same person care to
 turn up the laws relative to Scotch
 clubs, he will find that there is
 nothing forbidding the use of Scotch
 facilities in a private club. His
 reference to the "Municipal Service
 Club" "which was turned over to
 me, a few years ago as the
 members," is incorrect. On August
 31, 1927, the Municipal Service Club
 was dissolved and to all intents and
 purposes bankrupt in spite of the
 assistance given by the Municipal
 Council which included rent, rates
 and the rent, rates and taxes. As
 the Council decided to provide no
 further assistance to the club, the
 Annual General Meeting of the
 Club, held on August 31, 1927, was
 unanimously decided that the
 club be taken over by the members,
 the majority of whom were
 or non-voting members, and an effort
 made to run the Club. I would sur-
 mise that Arthur Watson was a member
 in the club for membership or non-
 membership and, if so, he would
 know how a club should be run
 and what difficulties there are
 involved in these directions. As
 the club machine has been in
 the hands and management of the
 club, why pick on us? There is
 nothing in the good book which
 says anything about "picking out
 the nose in your own eye" etc.

Yours faithfully,
 J. H. Watson, Club
 Secretary, Mar. 11

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NORTH CHINA DAILY NEWS

MAR 13 1940

Section Editors:
Why Not Take Them?
To the Editor of the
"North-China Daily News"
Sir, — In answer to Jack Hogg's letter
a few days ago, does he know that
the S.M.C. Police have a list of
that makes it illegal to use
machines in use in the settlement.
Still you will find the same
Police in use in places where the
Club, even the former S.M.C. Ser-
vice Club, have now changed, which
was given over free of charge a few
years ago to the Members. This
Club boasts of having at least three
of these machines in use today, of
course with a notice stating "For
Members use only." What is the
name of S.M.C. employees lecturing
on these machines are illegal, how
come, and why no action, why not
take them the same as the S.M.C.
under the name of Fruit Selling
Machines?
Action Wanted.
Shanghai, Mar. 11.

SHANGHAI

SHANGHAI
REGISTRY

2708

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NORTH CHINA DAILY NEWS.

JAN 11 1940

WANTED. One typewriter, must be
in good condition and nearly new.
Price under \$100. Old machines not wanted.
Address Box 22, NCIM.

WANTED. One typewriter, must be
in good condition and nearly new.
Price under \$100. Old machines not wanted.
Address Box 22, NCIM.

Mr. Coleman,
207 Hamilton House

Mr. Brown,
Room 36,
9 French
Boulevard.

FILE

D. S. Pitt

(C)

INDEXED BY
(S.D.) REGISTRY

DATE 7/1/40

MAR 13 1940

Municipal Lottery:
Lottery is Unpopular

"Satan's Daily News"
 "Satan's Daily News" is
 another example of that in a building
 which has been projected as a
 clean, modern and happy place
 that is full of the activities of
 "Satan's Daily News" and
 and which is a source of
 that is generally known to be des-
 tructive of good morals.

A Mayor's criminal. Gambling is a crime. Were the Municipality to criminalize a Mayor, it would do only justice to a crime, but would be giving sanction in crime-would encourage crime.

that ground, as a distinction be drawn between the gambling dens of the Western and other parts of the country, and a gambling den municipally conducted, which would have more respect for the thousands of workers who are in the place than the police have been treating them as a nuisance, for the sake of our city, than for the citizens, it is so far lower than as in the London lottery. Should it be said that our nations have not been treated as such, it can only be said that in so doing no matter how much it is great, and the object of our nation would not be altered because the number had larger proportions. At the time one state of the United States of America conducted a lottery, it became a curse to the entire nation, until finally by Federal Statute, it was outlawed from use of the Union.

Those who buy lottery tickets in the main, are the poor—the clerk, the stenographer, the maid and woman with small incomes, who spend their little all on the hope of winning a fortune at a stroke. The expense of the government of right should in the main be borne by the rich. But through the lottery is an instrument of government. It will fall on the poor, on those poor who are, a very, very few, get something back. The large majority lose all and when the money runs out all of the poor have lost all and all of the poor, he becomes first the great temptation to steal from to embrace the policy of his employer.

Good government values the morals of the people at higher worth than money, and good government cannot teach the bad things.

— 10 —

25-29800, Apr. 10.

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MAR 12 1940

Salvation Army Shelter Inmates Complain Of General Conditions

**Brigadier Morris Explains Chaoufoong Road
Work Not Yet Completed; Problems (Chinese)
Steal Blankets, Sheets, Knives, Forks**

Complaints from inmates of the Salvation Army Shelter at Chaoufoong Road reaching the Shanghai Evening Post show that there is great need of improvement in these new quarters, and that, on the other hand, some effort is being made to carry them out.

Some of the complaints appear based on the fact that the place was taken over before it was fully ready, and that it is not yet in a state of complete readiness. It is properly the former system would be reestablished.

Tifins were only being served to the older inmates at present. "Why should we encourage stronger or younger men to hang around the place, all day, doing nothing?" said Brigadier Morris. "That's not the idea of the Shelter." Inmates, except the weaker, have to leave the place between 8 a.m. and 5 p.m.

Double Aid. Men put on the Chaoufoong Road list have been taken off the Headquarters roster, said the Brigadier. He had found that some men obtaining relief at the shelter were also going up to Headquarters and getting a hand-out there.

Brigadier Morris also revealed that he was now using Chinese bed coverlets at the shelter instead of blankets. Out of 120 bought last year, no less than 70 have been stolen by conscientious inmates (not that all of them would do such a thing, he added).

Windows Closed. He has had to close all shelter windows opening on to the main road because he has found that some of the inmates have been throwing blankets out to accommodate on the road. Sheets have been stolen, wrapped around the body of an inmate, under his shirt. Knives and forks disappeared rapidly.

Work on fixing up the building (in which the PWD has helped greatly) should bring it into good shape in another fortnight, the Brigadier said. This work included a bath house. At present inmates who asked for baths were given money to pay for them elsewhere.

Better Types

At present in Chaoufoong Road American and British inmates were accommodated in one of the two dormitories, and men of other nationalities in the second. The policy of the Army in regard to dormitories was that the more men slept in one room the better, hence the plan of a big sleeping room instead of small ones.

The Salvation Army took any man in to the Shelter, who applied, said Brigadier Morris. The better types of people were housed at the Yang Terrace Hotel, and were only asked to leave that if their habits were not good.

Food Complaints

During the transition period no charge has been made for food at Chaoufoong Road, said Brigadier Morris, who also pointed out that it did not deny food to men without a ticket when asked regarding complaints on food. When the place was running

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SHANGHAI 021 7
No. 5 2706
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NORTH-CHINA DAILY NEWS.

MAR 19 1940

For Sale—Miscellaneous
Apply to: [illegible]
[illegible]
[illegible]

FM. 1

Memorandum.

POLICE FORCE.
MUNICIPAL COUNCIL.

Shanghai, 193.....

To

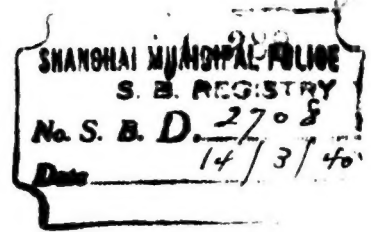
Box 2068

Rolf ZEICHTER,

c/o M. FREUND,

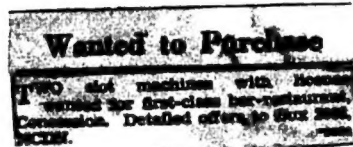
P.O. Box 216.

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CHINA PRESS.

MAR 7 1940



FM. 1

Memorandum.

POLICE FORCE.
MUNICIPAL COUNCIL.

Shanghai, 193.....

To

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SHANGHAI MUNICIPAL POLICE
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No. S. B. D. 2708

Date 14 / 3 / 40

CHINA DAILY NEWS.

MAR 12 1940

For Sale—Miscellaneous
SLOT machines in good condition for
sale. Please reply Box 2262, NCIN.
—4267

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NORTH-CHINA DAILY NEWS.

SEP 3 1939

WANTED slot-machines in good condition. Full particulars to Box 1839.
NCDN.

FILE

D.P.S. Kobuk

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NORTH-CHINA DAILY NEWS

JUL 3 1939

SLOT-machine for sale. 704 Rue Sou-
gast. 10-2 p.m.

La k 30 c

F.P.R.
P.A. to *E.C. (Sp. Br.)*
18/7

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|---------------------------|------|
| SHANGHAI MUNICIPAL POLICE | |
| S. DISTRICT | |
| No. 8 | 2708 |
| 24/12/38 | |

Shen Bao and other local newspapers :- 23-12-38 (PM)

POLICE AND SLOT-MACHINES

In local hotels, restaurants, cabarets, etc., may be found a gambling apparatus called "Slot Machine". Despite repeated orders issued by the S.M.P. prohibiting the use of these machines, the owners of these public places in view of the large profits that can be made, are paying no heed to these orders.

The "Shanghai Cabaret" (上海夜總會), No. 10, Lane 440, corner of Canton and Fukien Roads, had been warned by the Police authorities to remove the "Slot Machine", but the owner Tong Ling-teh (董慶德) ignored the order. The other day Sub-Inspector Loh Ta-kung and Chief Inspector Chamberlain of Louza Police Station seized the machine in the "Shanghai Cabaret" and removed it to the police station.

Yesterday Tong Ling-teh was charged before the Shanghai First Special District Court with offences under Article 268 of the Chinese Criminal Code and Article 45 of the Law of Penalties for Breaches of Police Regulations. The Court sentenced Tong to two months imprisonment with the option of paying \$3 for every day of the sentence with suspension for three years. The "Slot Machine" was ordered to be confiscated.

2-08
11 11 58

Sin Wan Pao Evening Edition published the following article on November 6 :-

THE SLOT MACHINE

In Shanghai, it is easier to make money dishonestly than honestly. What is strange is that the defrauded people think they are clever, as for instance those playing the slot machines.

Slot machines can be seen in cabarets, restaurants and amusement establishments in the French Concession. Nearly 1,000 licences have been issued for these machines by the French Municipal Council, which collects a licence fee of \$250 per machine per annum. Recently these slot machines have appeared on streets and on the counters of cigarette and exchange shops. The operator of a slot machine can make a profit of \$200 to \$300 a month.

Sometime ago it was said that slot machines would be permitted in the International Settlement, but this report was denied by the Shanghai Municipal Council which stated that it had confiscated about 50 machines already and would not issue any licences for such machines. Only in this way can the harm done by the slot machines to the public be lessened.

Slot Machine Magnate Is Fined \$100

**5 Mechanical Robbers
Confiscated By
Swiss Court**

**WIDLER DOES NOT
CONTEST ACTION**

**Machines Operated
Despite S.M.C.**

Han

Mr. Elv Widler, slot-machine magnate in the International Settlement, was fined \$100 and five slot machines were confiscated by Mr. E. Lardy, Swiss Consul-General, in the Swiss Consular Court yesterday.

Widler appeared in court in answer to a police summons charging him with operating slot machines for gambling purposes in his shop on Central Road known as the Machine Exchange.

Police were informed during the latter part of May that Widler had machines in operation despite municipal regulations banning the "mechanical robbers" from the Settlement.

Investigation of the report was made, and according to Detective Inspector Telfer, of the Central Station, it was found to be true. On June 11, Inspector Telfer continued in outlining the case, the police, acting on a search warrant, raided Widler's establishment and seized the machines.

When asked if he had anything to say about the case, Widler declared that he would not contest the action of the police, thereby saving something in court costs. He was fined \$100 and Mr. Lardy ordered the five machines confiscated in the name of the state.

Inspector Telfer asked Mr. Lardy what was meant by confiscation of the machines in the name of the state. He continued that it was his impression that when gambling machines were seized, they were destroyed after conviction had been handed down by the court.

Mr. Lardy explained that under Swiss law, property ordered confiscated by the court was sold and the money received was used for charitable purposes or for other funds. He stated that in the case of the slot machines, the court might dispose of them in areas where they were permitted.

There was some further discussion on the matter with the result that Mr. Lardy finally agreed to refer the matter to the Commissioner of Police.

New Nickle Subsidiary Coins Just Fit Local Slot Machines

Mechanical Gambling Device Owners In French Concession Take New Heart With Pleasing Recent Discovery

The new coins being minted by the National Government and now in circulation will not affect the slot machine business or "racket." On the contrary, the new coins should improve things for the owners of the mechanical gambling machines.

Considerable fear was thrown into the minds of slot machine operators in Shanghai when the new coins put in their appearance. A rumor got around that the new 20-cent pieces wouldn't fit the slots in the machines and for a time, the situation looked dark. Indeed,

A China Press reporter went out and investigated yesterday morning and on testing five different machines, all of which took the old 20-cent piece, found that the new coin fitted perfectly. In fact they fitted much better than the old coins.

The story was a bit different with the table games, which operate on the slot system, to be found around the city. The new 20-cent coins cannot be used in operating these games, or at least they can't be used in most of them. There may be a few exceptions to the rule but if so, the China Press investigator didn't find any and he tried three different kinds of table games.

Jack Pot Machines Okeh

The jackpot machines, however, are okeh. There are three types of these machines in Shanghai, one built to take the U.S. dollar, the second for the U.S. 25-cent piece and the third for U.S. nickel coin. The dollar machines are relatively few and since the nationalization of silver, they were practically pushed out of business.

The machines using the American quarter or 25-cent have always been more numerous and far more popular with the gambling element. They were found to take the local 20-cent piece and for years such machines have been found in all parts of the city; that is they were found in all parts of the city until a few months ago when all slot machines except table games were banned from the International Settlement. There are still plenty of them in the French Concession.

These are the machines which all the worry and bother was over when the new 20-cent piece made its appearance. Operators saw themselves having to go to all the trouble of having brass slugs made in order to operate their machines, and this method is never exactly satisfactory, they explain. The use of the actual coin is always more profitable than the slug for when a person has the actual coin, he is far more apt to play a machine than he would be if he had to purchase slugs. Although more awkward to handle, cash always looks better in the middle of a poker table than a pile of chips, and silver always looks better in a

slot machine jackpot than brass.

Worry Needless

All this worry about having to buy slugs was needless. The new coin is apparently the exact size of an American quarter whereas the old 20-cent piece was slightly thinner. This thinness in the old coin was not so good for the machine operators for the simple reason that when a machine did pay out, it was inclined to give the player bigger dividends than those prescribed.

For instance, on some machines, when a dividend of four coins was won, the old 20-cent piece would cause five coins to be dropped out. If eight coins was to be the dividend, it was not unusual for 10 to drop out. Of course, the operator usually got it all back anyway and he really had no kick coming. Still, he kicked. The new coin, however, should give no reason for complaint, for with it the machine drops out the prescribed dividend, neither more nor less.

Regarding the third type of machine, there are quite a few in Shanghai. They have, in the past, been operated on the slug system, each slug being worth 20 cents. The new 10-cent coin, however, which is approximately the size of an American nickel, fits this type of machine exactly and pays out the prescribed dividend, if and when one is prescribed.

Yes, slot machine operators should be able to rest easy from now on; that is unless the French police decide to close down on them.

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Court Exacts Big Fine For Slot Machine

**Police Campaign Against
Gambling Devices Gets
Emphatic Legal Support**

**Restaurant Owner Is
Ordered To Pay \$200**

The First Special District Court yesterday morning gave strong support to the campaign of the police to ban the slot machine from the International Settlement by imposing a fine of \$200 upon one offender, or giving him the alternative of spending 100 days at hard labor.

The offender was a restaurant owner named Tang Wei-ju, of 165 Honan Road. He was summoned to appear before the court after a visit from the police more than a week ago. A slot machine was found on the premises, operating in direct contravention to police orders. The authorities seized the machine and brought it into court as evidence against the accused.

Police charged that the slot machine was nothing more than a gambling device and that Tang had left it in operation in his place after he had been told to take it out. The accused denied that it was a gambling machine, but that it was a merchandise vendor.

If the restaurant proprietor had any idea that the court would let him off with a small fine of two or three dollars, as has been the case in the past, he was rudely disappointed. The court sided with the police in their efforts to get the slot machine out of the Settlement and backed down punishment accordingly. The man was warned that things would go even harder with him, if he repeated the offense.

This marks the second time in little more than a month that an offender against police instructions to remove slot machines from public places has been brought before the First Special District Court. The first offender, who also used the defense that the machine was a merchandise vendor and hence could not be classified as a gambling device, was let off with a warning and a fine of \$2.

Present serious campaign of the police against the slot machine started about two months ago when all machines in public places in the Settlement were ordered to be removed. The order was issued to the owners of operators to remove them before a certain date. The majority complied with the order and as a result slot machines are rare in the Settlement and a drug on the market in every other section in the city. It was estimated that before the campaign there were more than 1,000 in the three municipalities, took in an annual harvest of more than \$2,500,000.

Reg. Please attach to
file in slot
machines. JRG

NATIONAL HONORARY POLICE
 S. B. REGISTRY.
 No. D 2708
 Date 10 7 1935

THE NORTH-CHINA DAILY NEWS, MONDAY, JULY 8, 1935

SLOT MACHINES AND SLUGS OVERBOARD

New York Police Renew Their Anti-Gambling Activity

Far from the haunts of racketeers and counterfeit coin passers, 4,000 firearms of various types and sizes, two tons of slugs (\$32,850 worth to subway turnstile cheaters) and 450 slot machines were carried 45 miles up Long Island Sound, New York, recently, and dumped in 150 feet of water at a point two and a half miles off Easton Neck.

The slot machines and the weapons, which included about 200 knives, blackjacks, brass knuckles and sabres, had been seized in police raids, most of them during the past year. The slugs, turned over to the Police Department by the Board of Transportation, represented the intake of spurious coins by the Independent Subway System since it opened on Sept. 10, 1932. The slugs had been dropped into the turnstiles at the rate of 1,787 daily over this period.

Mayor LaGuardia, Police Commissioner Valentine and the District Attorney of three counties were present at Pier A at the Battery when the contraband was loaded upon two city-owned tugs. The Mayor, chipper in manner and wearing a dark blue suit and a Panama hat, made a brief speech in which he issued a warning to "tin horn gangsters and racketeers" that no quarter would be shown them.

Promises Rough Treatment

Waving a pistol in his hand as he stood beside two cases of revolvers and a load of slot machines, the Mayor said:

"Here you see a splendid exhibition of police energy. The Police Department, with the co-operation of the five District Attorneys, has been able to put the fear of the Lord into the gangsters. Let this be a notice to them that they will be treated just as roughly as we are

going to treat these implements."

Then the Mayor took a sledgehammer and swung it lustily five times over a slot machine, before turning the heavy tool over to the Commissioner to complete the task.

Mr. LaGuardia also stated that he had instructed Licence Commissioner Paul Mearns to cease issuing licences for the pin or bagatelle game, which caused the conviction in the recent case of a stationery-store proprietor for maintaining a gambling room. His order to the commissioner, the Mayor added, would hold unless the Court of Appeals rules the decision invalid or the city is served with a mandamus order.

Wants Laws Tightened

In a talk with newspaper and news-reel men the Mayor called for Congressional action to tighten laws to prohibit the transportation of firearms from one State to another. All the guns on the boats, Mr. LaGuardia said he was told, were brought here from other States.

"Most of the punks who owned these guns are up the river now. Let's keep up the good work and make New York a better place to live in," the Mayor concluded.

Commissioner Valentine spoke in favour of a "Federal Sullivan Law," which would prevent the sale of firearms to individuals in near-by States and stop their transportation here. He said a recent murder of a police officer was due to the laxity of the laws of a neighbouring State.

Commissioner Valentine, District Attorneys Dodge of New York, Geoghan of Brooklyn and Walsh of Staten Island sailed into Long Island Sound with the cargo before stopping at Stepping Stone Light, off City Island, where they threw the weapons and machines into the water for the benefit of camera men on board.

The commissioner, starting with a machine gun, held the weapons up, explaining the construction, and heaved them into the Sound. The District Attorneys joined him in tossing weapons over the side of the boat. "If anybody can get them back," the commissioner commented "they're welcome to them."

Fifteen Police Department employees and three men from the Board of Transportation assisted in loading the seized materials aboard the Manhattan and the Sixty-nine of the Department of Docks, which left the Battery at 11.30 a.m. The return trip required nine hours.

Filed
 1935

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|---------------------------|--------|
| SHANGHAI MUNICIPAL POLICE | |
| S. B. REGISTRY. | |
| No. D | 2708 |
| 1935 | 517135 |

THE SHANGHAI TIMES, FRIDAY, JULY

Slot Machine Is Banned By Special District Court

Proprietor Of Restaurant Where Machine Seized Is Acquitted Under Chinese Criminal Code, But Convicted, Cautioned Under Police Laws

The first test case in the recently launched police campaign against slot machines in the International Settlement was successfully concluded in the First Special District Court yesterday. The proprietor of the restaurant where the machine was seized, although being acquitted under Article 280 of the Criminal Code of the Republic of China, for permitting and supplying a place for public gambling, was found guilty under Article 45, Section 1 of the Special Police Laws and cautioned. The seized slot machine was ordered to be returned to him, but with an order that it not be installed again.

At a lengthy hearing on Monday at the Chinese tribunal defence and prosecution argued whether or not the slot machine was a gambling device. The prosecution was

conducted by Assistant Municipal Advocate T. S. Lea, while an array of legal talent appeared on behalf of the defendant. The defendant, Mr. Hsi Kwen-sung, 50-year-old proprietor of a restaurant at 165/7 Honan Road, where the machine was seized, was charged with "permitting and supplying a place for public gambling. Contrary to Article 280 of C.C.R.C. and Article 45, Section 1 of Special Police Laws."

The slot machine was produced in court and worked before Judge Wong. Thirty tokens were inserted in the machine and the machine only paid back about 1-3rd of the number, thus showing a profit of 66 per cent. for the proprietor. The defence contention was, however, that the machine vended candy rolls.

Although the small return to the player indicated a big margin in favour of the device, the machine had a good point. It did vend the candy rolls, provided of course, that one turned a handle at the bottom of the candy container attached to the machine. Anyone who didn't happen to know about this handle would receive no candy.

The fact that the machine did release a candy roll, provided the little handle was turned by the player, gave the defence considerable argument on the machine's behalf. The prosecution argued that the candy was merely a "come-on" device and the fact that the machine had returned tokens when played, said tokens being exchangeable for cash or credit, made it a gambling device.

Yesterday Judge Wong acquitted Mr. Hsi of the criminal charge under Article 280 of the Criminal Code and ordered him to be handed over to the Bye-law Court for trial on the Bye-law charge. Judge Sung of the Bye-law Court found him guilty, cautioned him and ordered the machine to be returned to him, but not to be installed in the restaurant again.

File
JMS
5 JULY 1935

K. Chen

SHANGHAI MUNICIPAL PUBLIC
S. C. REGISTRY.
No. D 2708
Date 24 / 6 / 35

Comprehensive Drive On City's Slot Machines Gains Impetus

Cleanup Started Two Weeks Ago Checked Up By Police; Prosecutions Pace Offenders After New Check-Up Tomorrow; Huge Profits Made

That old familiar mechanical robber, the slot machine, is to be banished from the International Settlement. He has already received his walking papers, and while his shadow is still haunting in dark corners, a good many of his kind have already read the handwritten edicts on the wall and have gone into retirement in alleys, backrooms and garbages.

The cleanup of the slot machine started two weeks ago when members of the International Settlement Police made the rounds of the district and notified restaurant and cafe owners who had a mechanical chieftain in their establishment to remove him forthwith or take the consequences.

Chief Inspector F. C. Stubbings of the Central Station, who has charge of the cleanup in his district, told a Chinese news reporter yesterday that all owners of machines had been notified, and that a check had revealed that the more reputable concerns had complied with the order.

A further check will be made Monday, and it is understood that those who have disobeyed will probably face prosecution. Some prosecutions have already been started, it is reported.

The cleanup spread from the Central Station to other police stations in the Settlement, and it is reported that efforts to shut down on the steel gamblers have proven fairly successful in other areas.

No Exceptions
Questioned as to whether any exception was being made in cases of machines that were vendors of merchandise such as gum and sweets, police stated that in the present cleanup all machines are to go. While it has been the policy of the Settlement authorities in the past to permit machines vending goods of value to operate, the new stringent regulations have been issued. A pointed official with a stern expression stated that machines vending gum and sweets with each coin placed in the slot, and machines vending other goods, such as cigarettes, but that they must pay the twenty-cent license fee, which must be turned into cash at the collector.

Profitable Market

That a huge sum is taken by slot machines in Shanghai every year is not a myth. Police estimates place the number in the International Settlement at around 300, and then say that this is a conservative figure. It is estimated that these machines take in approximately \$1,000,000 a year, half of which goes into the pockets of the men who own the machines, while the other half goes to the restaurant, bar or cabaret owner.

In the French Concession, Settlement and Chinese areas, it is calculated that there are approximately 1,000 machines in operation, taking more than \$4,000,000 annually. In other words, the slot machine has developed into one of the biggest racketeers in the city, taking in more money every day or the operator than the old Shanghai Well Road rackets wheel.

Most of the machines in Shanghai are owned by syndicates or individuals. Many small fry own three or four machines which they place in bars, restaurants and cabarets. Even with only this small number of machines, one man can reap a comfortable income, running well above \$1,000 a month. One individual in the city owns a stock of 75 machines and his average take on a machine is \$150 monthly, giving him an income of more than \$10,000. In pre-Shanghai depression days, his monthly take would run to \$2,000 a month.

The Chinese Maritime Customs took the attitude that the slot machine was nothing more or less than a mechanical thief some four or five years ago and banned the importation of such devices. At that time, there were only about 20 machines in the entire city. Since then, the number has swelled to a thousand, or possibly more. The police see that figure as a minimum.

Machines Imported In

From this, it appears that the

business of smuggling machines into China has been a profitable one for somebody. To make the cleanup more interesting, there are business concerns in Shanghai today dealing in slot machines quite openly, getting big prices for their goods and finding a ready market for them.

These concerns, while they will place a machine in a restaurant on fifty-fifty basis, prefer to sell them outright for the profit. It is quick and the turnover big. Most of the machines that are on the market in Shanghai today cost from \$400 to \$1,000. The total investment in these machines in the city is estimated at about \$700,000.

Slot machines of the American variety first made their appearance in Shanghai in a big way in the winter of 1922 and 1923. There were a few in the Settlement and Concession prior to that time but these would be counted on the fingers of both hands. They were owned by a few individual bar owners and were played for cigars and other merchandise.

The steel robber service as Shanghai knows it, made its debut in the city in 1923 when a big slot machine was sent from the United States and its appearance in this port with 12 machines and prepared to take orders on leaders for a company in New York. This man had been operating in Europe prior to his coming to the Orient and had found the countries of the continent very generally opposed to slot machines. After a brief experience in Switzerland which landed him in jail for a few months and almost resulted in the confiscation of his machines, he set out for Shanghai.

He found this city a good place for his particular line of endeavor and before many months had passed had increased the total of machines to two dozen. A few he sent to other parts of Shanghai while he made his headquarters in the capital. The cleanup of the slot machine started here the last week of the month and the machines were taken into account.

How extensive the present cleanup is, could not be ascertained.

It was reported yesterday that the machines have been and are still being sold all over the city. It is not known whether attempts will be made to force dealers to machine, or whether in the meantime the dealers are getting the machines out of the city on the pretext of repairing them. It is also reported that the machines are being sold at 100-150 C. Shanghai Well Road.

File 14

SHANGHAI MUNICIPAL POLICE
S. E. REGISTRY.
No. D 2708
Date 21 / 6 / 35

Slot Machine Cleanup By SMC Started

**Machines Operated Only
As Gambling Devices
Are Ordered Removed**

**Owners Average \$50
Weekly Profit On Unit**

Slot machines, used for purely gambling purposes only, are again becoming a target for Settlement Police activities. Several local restaurant and cafe owners have just received letters from the police authorities demand that such machines be removed.

Questioned yesterday concerning these letters, police authorities stated that they were not making a drive on slot machines as a whole, but that they were carrying out a bit of routine that has been in progress for the past six or seven years. They added, however, that owners of machines who had received letters from the police demanding that such machines cease operations had simply been found to be breaking police regulations. They could not say, however, just how many machines would be forced out of action during the next few days.

A survey conducted by a China Press reporter yesterday revealed that a good majority of the slot machines in the International Settlement are being operated solely as gambling devices. Only a few were found to be actual vendors of merchandise, such as chewing gum and that even these are not played for sticks of gum or candy, but for the 20 cent pieces that are paid out together with the merchandise.

The slot machine has been one of Shanghai's biggest "rackets" for the past seven or eight years and the amount of money that is poured into them every week runs well into five figures. It is difficult to calculate the number of machines in the entire city, let alone the International Settlement. It is safe to say that it runs well into the hundreds, officials say.

In making their sensational raid on slot machines two years ago, the New York police stated that such machines were merely mechanical thieves and that about 90 per cent of the money that went into them remained there. The machines used in Shanghai are of exactly the same type—as a matter of fact, they are made in the United States, and China today is one of the big markets for such devices.

Machines Earn \$50 Weekly

Just how much money goes into Shanghai slot machines every year is hard to say, but the sum taken by every hundred machines can be computed fairly easily. Restaurant and cafe owners estimate that their machines are usually good for about \$50 a week, half of which goes to the owner of the machine, the other half to the proprietor of the restaurant. For a hundred machines, the total is \$20,000 a month, or a quarter of million dollars a year.

Settlement Police have been attempting to combat the slot machine evil in Shanghai ever since the bans went down on gambling shortly after the raid on the Bubbling Well Road wheel in 1928. Now they are renewing their efforts, and the man who can't produce a roll of mints or a package of chewing gum each time someone puts a 20-cent piece in his machine runs the risk of having to cut it off his list of assets.

File
11/1
Jan

2708

FILE

C.R.B.R.

SUMMARY

33

Slot Machines (C.R. File C.1388)

On January 18, 1928 the Secretary of the Council received a letter from Mr. C.P. Holcomb, requesting on behalf of his client, permission to operate without a licence, Candy Vending Machines in the Settlement. The Secretary replied on February 3, 1928 stating that the Council had no objection to the installation of the machines in licensed premises and that no special licence fee would be required in respect of the machines. Their installation upon public streets or other public property would, however, require the Council's approval in advance and would, probably, be subject to an easement fee.

On January 26, 1929 the Commissioner of Police addressed a letter to the Commissioner of Customs stating that certain persons were about to import a large number of gambling machines for sale to Chinese and requested that the importation of automatic slot machines, roulette wheels and other gambling paraphernalia be prohibited. It was pointed out that several slot machines had already been imported and were in operation. The Commissioner of Customs replied on March 11, 1929 to the effect that the Commissioner of Police's suggestion had been adopted and that all forms of gambling apparatus, roulette wheels, etc. would be prohibited from March 11, 1929. The importation of automatic slot machines used solely for the distribution of cigarettes, chocolates, etc. would, however, still be permitted.

About a year later it was found that many of the machines known as "Mills Automatic Salesmen", "The Puritan Bell", "Bell Fruit" and "Liberty Bell" which were installed in numerous local Cabarets, Restaurants and other places, did not have "candy" attachments. Others had "candy"

attachments, which in some cases were empty; these machines could, however, still be used and a person inserting a 20¢ piece would, if fortunate, receive a disc, which could either be exchanged for cash or an article equivalent in value to the disc received.

In view of the fact that most of the machines were being used for gambling, the Commissioner of Police issued instructions on January 29, 1929 that the operation of such machines must cease forthwith. The proprietors of the establishments concerned were warned accordingly and the machines were withdrawn. This order did not effect those machines used solely for the distribution of cigarettes, chocolates, etc.

In 1930 it was discovered that the automatic slot machines were again being used for gambling and on August 26, 1931 the Commissioner of Police issued instruction that proprietors of premises having Fruit Machines which could be used for gambling were to be warned against using the machines for the purpose of gambling and that failure to comply would render the proprietor of the premises liable to prosecution. This warning had the desired effect.

Premises having slot machines are visited periodically by the Police.

S U M M A R Y

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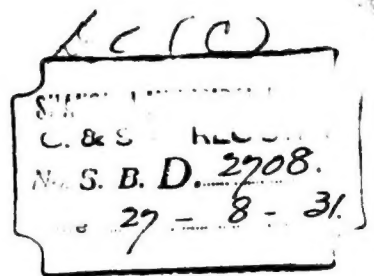
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Shanghai Municipal Police,
Headquarters,
August 26, 1931.



D. C. (Divisions)

SLOT MACHINES.

With reference to the attached file the following procedure will be adopted.

Licencees of premises where Mills and Bell Fruit machines are operated will be warned by Officers I/c. Police Stations in person in the following sense.

"In the opinion of the police the Fruit machine(s) installed in your premises is (are) capable of being operated as (a) gambling machine(s). The Council has informed an interested party that so long as the operation of the machines is restricted to the sale of candy and other goods and does not constitute a lottery or other form of gambling there is no objection to their installation in licensed premises.

I am instructed by the Commissioner of Police to inform you of this and to warn you that if gambling of this nature is conducted on your premises you render yourself liable to prosecution."

The warning will be conveyed verbally and a note of the time, date and other particulars will be entered in the occurrence book.

Thereafter the premises will be visited from time to time and if the machines are still in operation the necessary evidence will be collected with a view to prosecution of the licensee after reference to the D. O. concerned and in consultation with the Municipal Advocate.

Premises on which a Jack-Pot machine has been in operation and removed at the request of the police will also be kept under observation and dealt with as in the preceding paragraph without further warning.

R. M. Martin

Commissioner of Police.

All files on slot machines on Const. Reg. 6. 1388.

Recd